

EXHIBIT B

**ADDENDUM #1
TO THE LOAN PURCHASE AGREEMENT**

THIS ADDENDUM ("Addendum") is made this 8th day of August, 2001, by and between Lehman Brothers Bank, FSB. ("LBB") and Fairmont Funding, Ltd. ("Seller").

WHEREAS, LBB and Seller have executed that certain Loan Purchase Agreement (the "Agreement") dated the 8th day of August, 2001; and

WHEREAS, LBB and Seller wish to amend certain terms, provisions and conditions of the Agreement and the Aurora Loan Services Inc. Seller's Guide (the "Seller's Guide");

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LBB and Seller agree as follows:

1. Capitalized terms used and not defined herein shall have their respective meanings under the Agreement.
2. With respect to the following provisions of the Seller's Guide, as incorporated into the Agreement, the following amendments shall be made:
 - a) There shall be inserted in Section 703, Subsection 12, under the heading "Validity of Mortgage Documents", as the final paragraph under this heading, the following:

"Notwithstanding the foregoing and as it relates to Mortgage Loans submitted under Purchaser's limited documentation program, where such limited documentation program requires a borrower statement of income with no further verification of such stated income, and such loans have been underwritten by Purchaser prior to purchase, Purchaser's discovery of misrepresentation of income by the borrower, for which Seller had no knowledge of or would not reasonably be expected to have known of such misrepresentation, shall not be considered an Event of Default hereunder."
 - b) Section 703, Subsection 19, "No Mechanic's Lien", shall be deleted in its entirety and there shall be substituted in lieu thereof the following:

"No Mechanic's Lien. To the best of Seller's knowledge, there is no mechanic's or similar lien or claim that has been filed for work, labor or material (and no rights are outstanding that are under applicable law could give rise to such a lien or claim), affecting the related Mortgaged Property, which is or may be a lien prior to, or equal with, the lien of the related Mortgage."

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- c) Section 703, Subsection 20, "Location of Improvements: No Encroachments", shall be deleted in its entirety and there shall be substituted in lieu thereof the following:

"Location of Improvements; No Encroachments. To the best of Seller's knowledge, (i) all improvements which are considered in determining the appraised value of the Mortgaged Property at origination lie wholly within the boundaries and building restriction lines of the Mortgage Property and no improvements on adjoining properties encroach upon the Mortgaged Property (except such encroachments as have been affirmatively insured over by the title insurer), and (ii) no improvement located on or being part of the Mortgaged Property is in violation of any applicable zoning law or regulations."

- d) Section 708, "Termination without Cause", shall be deleted in its entirety and there shall be substituted in lieu thereof the following:

"In addition to the provisions set forth elsewhere herein or in the Purchase Agreement for termination of this Seller's Guide and the Purchase Agreement, this Seller's Guide and the Purchase Agreement may be terminated without cause at any time by either party upon prior written notice of termination to the other party. The effective date of termination must be specified in such notice and must be at least sixty (60) days after the date of such written request."

- e) The final paragraph of Section 710 shall be deleted in its entirety and there shall be substituted in lieu thereof the following:

"All Purchaser's remedies hereunder, including, without limitation, the repurchase obligation with respect to the Mortgage Loan, the purchase obligation with respect to the Mortgaged Property, and the indemnification with respect to any breach of a representation, warranty or covenant (or any other Event of Default), shall exist regardless of the dates of Purchaser's discovery and notice to Seller of the breach and Purchaser's demand for any remedy. Notwithstanding any other provision of the Seller's Guide or Purchase Agreement to the contrary, Seller shall remain liable for all remedies hereunder, even if Purchaser discovers a breach after the Mortgage Loan is liquidated in foreclosure."

- f) Section 716, "Early Payoff", shall be deleted in its entirety and there shall be substituted in lieu thereof the following:

"If a Mortgage Loan is paid in full within three (3) months of the Purchase Date, Seller will reimburse Purchaser that portion of the Purchase Price in excess of par multiplied by the Unpaid Principal Balance as of the date of payment in full, net of Prepayment charges collected."

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Other than specifically set forth herein, the terms, provisions and conditions of the Agreement and the Seller's Guide shall remain in full force and effect.

IN WITNESS WHEREOF, the Seller and LBB have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first written above.

LEHMAN BROTHERS BANK, FSB
(Purchaser)

By: _____

Name: _____

Title: _____

FAIRMONT FUNDING, LTD.
(Seller)

By: Arthur D. Smith, Jr.

Name: Arthur D. Smith, Jr.

Title: President